## In the Claims

This listing of claims will replace all prior versions and listings of claims in the application:

- (Previously Amended) A server for a merchant computer system,
   the server comprising:
- a file store configured to store a range of audio/video 4 products in respective product files and client history data;
- a dialogue unit operable to invite and receive a client selection from among the products, and to define a degrade level signal dependent upon a client integrity indicator determined from a personal client file containing client history data stored in the file store;
- a product reader connected to read the product files from the file store to generate a digital audio/video signal; and
- 12 signal processing unit having an input selectively 13 connectable to receive the digital audio/video signal from the product reader, a processing core operable to apply a defined level 14 15 of content degradation to the digital audio/video signal creating a 16 degraded digital audio/video signal having a degradation in perceived quality corresponding to the defined degrade level signal 17 18 of the dialogue unit, and an output connected to output the 19 degraded digital audio/video signal.

#### Claims 2 to 4. (Canceled)

- 1 5. (Original) A server according to claim 1, wherein the 2 processing core comprises a digital signal processor.
- 1 6. (Original) A server according to claim 5, the digital signal
- 2 processor including a delay line structure having an input arranged
- 3 to receive a bit stream derived from the digital audio/video

- 4 signal, noise insertion circuitry for manipulating bits of the bit
- 5 stream to degrade signal quality, and an output arranged to output
- 6 the manipulated bit stream.
- 1 7. (Previously Amended) A server according to claim 5, the
- 2 digital signal processor including:
- 3 a discrete Fourier transform unit operable to apply a discrete
- 4 Fourier transform to obtain a frequency domain representation of
- 5 the digital audio/video signal;
- a frequency modulator operable to apply a manipulation process
- 7 to the frequency domain representation of the digital audio/video
- 8 signal;
- 9 an inverse discrete Fourier transform unit operable to apply
- 10 an inverse discrete Fourier transform to reconstruct a time domain
- 11 representation of the digital audio/video signal;
- wherein the manipulation process applied by the frequency
- 13 modulator is such as to effect a degradation of perceived signal
- 14 quality in the digital audio/video signal reconstructed by the
- 15 inverse digital Fourier transform unit.

#### (Canceled)

- 1 9. (Previously Amended) A server according to claim 7, wherein
- 2 the manipulation process includes one or more of the following:
- 3 frequency band rejections, frequency low pass and frequency high
- 4 pass to effect a degradation of perceived signal quality.
- 1 10. (Previously Amended) A server according to claim 7, wherein
- 2 the manipulation process includes phase inversion over at least one
- 3 range of frequency components.

- 1 11. (Original) A server according to claim 7, wherein the
- 2 manipulation process applied by the frequency modulator is applied
- 3 to digital audio signals and inserts masked sound contributions
- 4 adjacent amplitude peaks of the frequency domain representation of
- 5 the digital audio signal.
- 1 12. (Previously Amended) A server according to claim 7, further
- 2 including a mixer operatively arranged before the discrete Fourier
- 3 transform unit to effect a degradation of perceived signal quality.
- 1 13. (Previously Amended) A server according to claim 12, wherein a
- 2 frequency modulator is operatively arranged between the mixer and
- 3 the inverse discrete Fourier transform unit, and the manipulation
- 4 process includes band-pass filtering to suppress frequency
- 5 contributions lying outside a selected frequency range to effect a
- 6 degradation of perceived signal quality.
- 1 14. (Original) A server according to claim 13, wherein the
- 2 manipulation process inserts masked sound contributions adjacent
- 3 the mixing frequency.
- 1 15. (Original) A server according to claim 5, the digital signal
- 2 processor including:
- 3 a frame buffer for holding frames of a digital video signal;
- 4 and
- 5 a frame manipulator operatively arranged to manipulate frames
- 6 in the frame buffer to generate a degraded digital video signal.
- 1 16. (Previously Amended) A server according to claim 15, wherein
- 2 the digital signal processor is configured to process digital video
- 3 signals conforming to an MPEG standard including as frame types I-
- 4 frames, P-frames and B-frames, wherein the frame manipulator is

- 5 operable to identify the frame type of frames held in the frame
- 6 buffer, and operable to perform frame manipulation according to
- 7 frame type so as to effect a degradation of perceived video signal
- 8 quality.
- 1 17. (Previously Amended) A server according to claim 15, wherein
- 2 the digital signal processor is configured to process digital video
- 3 signals conforming to an MPEG standard including data blocks, each
- 4 comprising a plurality of pixels, wherein the frame manipulator is
- 5 operable to vary the pixels of the data blocks of at least selected
- 6 ones of the frames so as to effect a degradation of perceived video
- 7 signal quality.
- 1 18. (Previously Amended) A server according to claim 15, wherein
- 2 the digital signal processor is configured to process digital video
- 3 signals conforming to an MPEG standard including motion vectors,
- 4 wherein the frame manipulator is operable to vary the motion
- 5 vectors of at least selected ones of the frames so as to effect a
- 6 degradation of perceived video signal quality.
- 1 19. (Previously Amended) A server according to claim 15, wherein
- 2 the digital signal processor is configured to process digital video
- 3 signals conforming to an MPEG standard including objects, wherein
- 4 the frame manipulator is operable to manipulate the objects of at
- 5 least selected ones of the frames so as to effect a degradation of
- 6 perceived video signal quality.
- 1 20. (Previously Amended) A server according to claim 1, wherein
- 2 the processing core is operable to process a multi-channel digital
- 3 audio signal by switching individual channels within the multi-
- 4 channel signal to apply spatial modification to the digital audio

- 5 signal so as to effect a degradation of perceived digital audio
- 6 signal quality.
- 1 21. (Previously Amended) A server according to claim 1, wherein
- 2 the processing core is operable to process a multi-channel digital
- 3 audio signal by inverting the phase of at least one of the audio
- 4 channels so as to effect a degradation of perceived digital audio
- 5 signal quality.
- 1 22. (Previously Amended) A server according to claim 1, wherein
- 2 the processing core is operable to process a multi-channel digital
- 3 audio/video signal by adding together individual ones of the
- 4 channels so as to effect a degradation of perceived digital
- 5 audio/video signal quality.
- 1 23. (Previously Amended) A server according to claim 1, wherein
- 2 the processing core is operable to process a multi-channel digital
- 3 audio/video signal by removal or attenuation of at least one of the
- 4 channels so as to effect a degradation of perceived digital
- 5 audio/video signal quality.
- 1 24. (Previously Amended) A server according to claim 1, wherein
- 2 the digital audio/video signal comprises an n-bit digital audio
- 3 signal and the processing core is operable to convert the n-bit
- 4 digital audio signal into an m-bit digital audio signal where m is
- 5 less than n so as to effect a degradation of perceived digital
- 6 audio signal quality.
- 1 25. (Previously Amended) A server according to claim 1, wherein
- 2 the processing core is operable to time modulate the digital
- 3 audio/video signal so as to effect a degradation of perceived
- 4 digital audio signal quality.

- 1 26. (Original) A server according to claim 25, wherein the time 2 modulation is one or more of:
- 3 a speed-up or slow-down the digital audio/video signal;
- 4 a change in the value of data bits in volume, luminance or
- 5 chrominance data contained within the digital audio/video signal;
- 6 and
- a lengthening of a sampling period of the digital audio/video
- 8 signal.
- 1 27. (Previously Amended) A server according to claim 1, wherein
- 2 the processing core comprises:
- 3 a first data converter arranged as an input stage to convert
- 4 the digital audio/video signal into an analog audio/video signal;
- an analog processing unit operable to apply a defined level of
- 6 audio/video degradation to the analog signal creating a degraded
- 7 analog audio signal having a degradation in perceived quality
- 8 corresponding to said defined level of content degradation;
- 9 a second data converter arranged as an output stage to convert
- 10 the degraded analog signal into a degraded digital audio/video
- 11 signal for output.
- 1 28. (Previously Amended) A server according to claim 27, wherein
  - 2 the analog processing unit is operable to apply frequency domain
  - 3 modulation to an analog audio signal so as to effect a degradation
  - 4 of perceived audio signal quality.
  - 1 29. (Previously Amended) A server according to claim 28, wherein
- 2 the frequency domain modulation is one or more of: band-reject
- 3 filtering, low-pass filtering, high-pass filtering and frequency-
- 4 selective phase inversion to effect a degradation of perceived
- 5 signal quality.

- 1 30. (Previously Amended) A server according to claim 1, wherein
- 2 the processing core comprises a mixer for adding a secondary signal
- 3 to the digital audio/video signal so as to effect a degradation of
- 4 perceived digital audio/video signal quality.
- 1 31. (Original) A server according to claim 30, wherein the signal
- 2 processing unit further comprises a signal generator for generating
- 3 the secondary signal.
- 1 32. (Original) A server according to claim 31, wherein the signal
- 2 generator is operable as a noise generator.
- 1 33. (Original) A server according to claim 31, wherein the signal
- 2 generator is operable to generate a content-based audio signal.
- 1 34. (Previously Amended) A server according to claim 30, wherein
- 2 the dialogue unit is operable to generate a degrade level signal,
- 3 the signal processing unit having a degrade level signal input for
- 4 receiving a degrade level signal from the dialogue unit and wherein
- 5 the level of the secondary signal mixed with the digital
- 6 audio/video signal is determined by the degrade level signal.
- 1 35. (Previously Amended) A method of operating a server of a
- 2 merchant computer system, the method comprising:
- 3 inviting a client to make a selection from a range of
- 4 audio/video products stored by the server in product files;
- 5 receiving a client selection for evaluation of one of the
- 6 products;
- 7 reading the selected product file to generate a digital
- 8 audio/video signal;

- 9 defining a level of content degradation dependent on a client 10 integrity indicator determined from a personal client file 11 containing client history data;
- 12 applying the defined level of content degradation to the
- 13 digital audio/video signal to generate a degraded digital
- 14 audio/video signal having a degradation in perceived quality
- 15 corresponding to said defined level of content degradation; and
- outputting the degraded digital audio/video signal to the client.

# Claim 36. (Canceled)

- 1 37. (Previously Amended) A method of operating a server of a merchant computer system, the method comprising:
- inviting a client to make a selection from a range of audio/video products stored by the server in product files;
- 5 receiving a client selection for evaluation of one of the 6 products;
- reading the selected product file to generate a digital audio/video signal;
- defining a level of content degradation dependent on an authorization response received by the server from a remote payment gateway computer system following an authorization request by the
- 12 server including a client i.d., a client payment instrument and a
- 13 monetary value of the product selected for evaluation by
- the server transmitting to the client a request for identification of type of payment authorization,
- the client transmitting to the server identification of a type of payment authorization,
- defining at the server a level of content degradation as
  a function of the identified type of payment authorization;

- 20 applying the defined level of content degradation to the
- 21 digital audio/video signal to generate a degraded digital
- 22 audio/video signal having a degradation in perceived quality
- 23 corresponding to said defined level of content degradation; and
- 24 outputting the degraded digital audio/video signal to the
- 25 client.
- 1 38. (Original) A method according to claim 35, utilizing a digital
- 2 signal processor to apply the defined level of content degradation
- 3 to the digital data stream.
- 1 39. (Previously Amended) A method of communicating between a
- 2 client, server and gateway on a computer network, the method
- 3 comprising:
- 4 a) the client establishing communication with the server to
- 5 identify the client and a client payment instrument to the server;
- 6 b) the server transmitting to the client a range of
- 7 audio/video products for supply in return for payment;
- 8 c) the client transmitting to the server an evaluation
- 9 request for one of the products;
- 10 d) the server and gateway communicating to obtain payment
- 11 authorization for the requested product from the payment
- 12 instrument;
- e) the server defining a level of content degradation as a
- 14 function of client history;
- f) the server transmitting to the client a degraded
- 16 evaluation version of the selected product without payment
- 17 authorization, the degraded evaluation version of the selected
- 18 product having a degraded perceived quality corresponding to the
- 19 level of content degradation;
- 20 g) the client transmitting to the server a payment decision;

- 21 h) the server and gateway communicating to effect payment
- 22 capture for the authorized payment; and
- 23 i) the server transmitting to the client a non-degraded
- 24 version of the selected product.

## 40. (Canceled)

- 1 41. (Previously Amended) A method of communicating between a
- 2 client, server and gateway on a computer network, the method
- 3 comprising:
- 4 a) the client establishing communication with the server to
- 5 identify the client and a client payment instrument to the server;
- b) the server transmitting to the client a range of audio/video products for supply in return for payment;
- c) the client transmitting to the server an evaluation request for one of the products;
- 10 d) the server and gateway communicating to obtain payment
- 11 authorization for the requested product from the payment
- 12 instrument;
- e) the server defining a level of content degradation as a
- 14 function of said client payment instrument;
- 15 f) the server transmitting to the client a degraded
- 16 evaluation version of the selected product without payment
- 17 authorization, the degraded evaluation version of the selected
- 18 product having a degraded perceived quality corresponding to the
- 19 level of content degradation;
- 20 g) the client transmitting to the server a payment decision;
- 21 h) the server and gateway communicating to effect payment
- 22 capture for the authorized payment; and
- 23 i) the server transmitting to the client a non-degraded
- 24 version of the selected product.

- 1 42. (Previously Amended) A server apparatus comprising:
- 2 means for supplying a range of audio/video products as
- 3 respective digital audio/video signals;
- 4 means for inviting and receiving a client selection from among
- 5 the products via a network connection;
- 6 means for defining a level of content degradation as a
- 7 function of client history;
- 8 means for processing the digital audio/video signal associated
- 9 with the selected product to apply the defined level of content
- 10 degradation thereto; and
- 11 means for outputting the degraded digital audio/video signal
- 12 to the network connection, the degraded digital audio/video signal
- 13 having a degraded perceived quality corresponding to the defined
- 14 level of content degradation, whereby a degraded version of the
- 15 selected product is supplied to the client.
- 1 43. (Previously Amended) A merchant computer system comprising a
- 2 server and a client interconnectable over a network, wherein the
- 3 server comprises:
- 4 a file store configured to store a range of audio/video
- 5 products in respective product files;
- a dialogue unit having a network connection and operable to
- 7 invite and receive a client selection from among the products via
- 8 the network connection, and to define a level of content
- 9 degradation dependent upon a client integrity indicator determined
- 10 from a personal client file containing client history data stored
- 11 in the file store;
- 12 a product reader connected to read the product files from the
- 13 file store to generate a digital audio/video signal; and
- a signal processing unit having an input connectable to
- 15 receive the digital audio/video signal from the product reader, a
- 16 processing core operable to apply a defined level of content

- 17 degradation to the digital audio/video signal creating a degraded
- 18 digital audio/video signal having a degradation in perceived
- 19 quality corresponding to said defined level of content degradation
- 20 of the dialogue unit, and an output connected to output the
- 21 degraded digital audio/video signal from the processing core to the
- 22 network connection.
  - 1 44 (Original) The system of claim 43, wherein the client
- 2 comprises an audio/video reproduction system operable to play the
- 3 audio/video product communicated by way of the digital audio/video
- 4 signal.
- 1 45. (Original) The system of claim 43, the server further
- 2 including an output stage operatively arranged between the output
- 3 of the signal processing unit and the network connection, the
- 4 output stage having a packetizer for sub-dividing the degraded
- 5 digital audio/video signal into encrypted data packets and
- 6 associating decryption keys with each encrypted data packet, the
- 7 dialogue unit being operable to supply a packet decoder to the
- 8 client over the network for decoding the digital video/audio
- 9 signal, and wherein the client includes an input stage connected to
- 10 receive the packet decoder and load the packet decoder into a
- 11 decoder host, the client input stage further comprising an input
- 12 connected to receive the data packets and supply the data packets
- 13 to the decoder host for packetwise decoding by applying the packet
- 14 decoder with the associated decryption key of the data packet
- 15 concerned, wherein the client input stage is configured to corrupt
- 16 the decryption key of any given data packet before the decoded data
- 17 of that packet is transmitted from the input stage in a form
- 18 playable by the reproduction system.

- 1 46. (Previously Amended) A method of communicating between a
- 2 client, server and gateway on a computer network, the method
- 3 comprising:
- 4 a) the client establishing communication with the server to
- 5 identify the client;
- b) the server transmitting to the client a range of audio/video products for supply in return for payment;
- 8 c) the client transmitting to the server an evaluation 9 request for one of the products;
- 10 d) the server transmitting to the client a degraded
- 11 evaluation version of the selected product without payment
- 12 authorization, the degraded evaluation version of the selected
- 13 product having a degraded perceived quality;
- e) performing steps b) through d) at least once;
- 15 f) the client transmitting to the server a purchase decision
- 16 and payment instrument;
- g) the server and gateway communicating to obtain payment
- 18 authorization for the requested product from the payment
- 19 instrument;
- 20 h) the server and gateway communicating to effect payment
- 21 capture for the authorized payment; and
- 22 i) the server transmitting to the client a non-degraded
- 23 version of the selected product.

Claims 47 and 48. (Canceled)